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IN THE

Supreme Court of the United States

OCTOBER TERM, 1956

Supreme Court, U.S.
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No. 310

FOURCO GLASS COMPANY, *Petitioner*

v.

TRANSMIRRA PRODUCTS CORP., and ROBERT ARONSTEIN, *Respondents*

REPLY BRIEF FOR PETITIONER

EDWARD S. IRONS
Counsel for Petitioner

Of Counsel:

CHARLES B. JOHNSON
HAROLD J. BIRCH
WILLIAM W. BECKETT
BURNS, DOANE, BENEDICT & IRONS

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REPLY BRIEF FOR PETITIONER

I. THE PRESENT CASE MEETS THE IMPORTANT PREREQUISITES FOR REVIEW BY THIS COURT—RESPONDENTS ADVANCE NO VALID REASON FOR DENIAL OF THE PETITION

A. Respondents Seek to Induce This Court to Ignore the Fundamental Reasons for Granting the Petition

Respondents, under Points I and II of their brief, rely upon the fact, *peculiar to this case,* that the judgment of the Court below is not final. Respondents' argument seeks to induce this Court to ignore the broad aspect of the issue presented.

The practical significance of the issue involved far transcends the present case—as compellingly demonstrated by the widespread conflict in the lower federal courts. The question of the proper interpretation of the special patent venue statute, 28 U.S.C. § 1400(b), must be faced by counsel in essentially all cases brought against corporate defendants for patent infringement. In the interests of uniform and orderly procedure in patent litigation, this Court should grant certiorari to resolve the confusion arising from the application by the lower federal courts of squarely conflicting interpretations of 28 U.S.C. § 1400(b).

Respondents' contention, that the propriety of granting the writ is foreclosed by the fact that the Court below found immaterial to its decision the ruling of the District Court that the petitioner did not commit acts of infringement within the Southern District of New York, is an obvious red herring. Contrary to the arguments at pages 4-5 of respondents' brief, the "normal appellate processes" are of no avail to petitioner in this regard. *The ruling of the Court below, for which review is sought, is the law of the case and is a final judgment insofar as the venue issue raised by the petition is concerned.*

Only if the petition is *granted* and the judgment of the Court below reversed, will that Court be called upon to consider the District Court's finding that petitioner did not commit acts of infringement within the Southern District of New York. *Indeed, if the petition is denied and trial on the merits and appeal ensues, a further petition would be subject to the same challenge presently advanced by respondents insofar as the final disposal of the venue issue is concerned.*

In advancing the argument that review is not warranted because the question presented is not decisive of the venue issue, respondents merely dignify a detail peculiar to the present case which, in no sense, obviates the urgent necessity for an authoritative holding with respect to the venue issue presented by the present petition.

The guiding precedents, cited at page 9 of the petition and relied upon by counsel in the decision to file the petition, amply show that this Court has often granted certiorari from non-final judgments where issues of sufficient importance, including issues raising important jurisdictional questions, were involved. In *Land* v. *Dollar*, 330 U.S. 731, 734, n. 2, and in *Larson* v. *Domestic and Foreign Commerce Corp.*, 337 U.S. 682, 685, n. 3, both cited at page 9 of the petition, certiorari was granted to review decisions where, as in the present case, the Court of Appeals had reversed the granting of a motion to dismiss and had ordered the case remanded for trial.

A like precedent of particular significance, insofar as the present case is concerned, is that in *Stonite Products Co.* v. *Melvin Lloyd Co.*, 315 U.S. 561, in which this Court granted certiorari to review a statutory *patent venue question* raised by the non-final judgment of the Court of Appeals in reversing the judgment of the District Court dismissing the complaint for want of venue.

Certiorari has also issued to review a non-final judgment where there was a conflict on a question of law with another court of appeals or with the highest court of a state where the conflict would justify review of a final decree or judgment. *United States* v. *General Motors Corp.*, 323 U.S. 373, 374; *Hanover*

Star Milling Co. v. *Metcalf*, 240 U.S. 403, 408-9; *Forsyth* v. *Hammond*, 166 U.S. 506. It cannot be seriously contended that certiorari should not be granted if the judgment of the Court below were final.

It is strikingly significant that each of the cases cited at page 4 of respondents' brief reaffirm the propriety of granting certiorari to review non-final judgments in proper cases and, hence, afford additional precedent for the granting of the present petition. Indeed, in *American Construction Co.* v. *Jacksonville T. & K. W. Ry.*, 148 U.S. 372, this Court stated:

> "... But the question at what stage of the proceedings, and under what circumstances, the case should be required by certiorari or otherwise, to be sent up for review, is left to the discretion of this court, as the exigencies of each case may require."

The decision in *Busby et al.* v. *Electric Utilities Employees Union*, 323 U.S. 72, cited at page 3 of respondents' brief, is obviously inapposite, as appears from the statement of this Court in the *Busby* opinion immediately preceding that quoted by respondents, to-wit:

> "... This Court will not answer a question which will not arise in the pending controversy unless another issue, not yet resolved by the certifying court, is decided in a particular way."

In the case at bar, the issue presented by the petition *has* arisen and *has been decided* by the Court below which has rendered a judgment final with respect to it.

B. There Is Widespread Conflict in the Lower Federal Courts Concerning the Issue Involved

The petition demonstrates that widespread, direct, and irreconcilable conflict exists in the lower federal courts concerning the proper interpretation of the special patent venue statute, 28 U.S.C. § 1400(b). The existence of that conflict is acknowledged by respondents. The Supreme Court, itself, failed to resolve the issue presented by the present petition when that issue was previously considered in *Cardox Corp.* v. *C-O-Two Fire Equipment Co.*, 344 U.S. 861, and *Gulf Research & Development Co.* v. *Leahy*, 344 U.S. 861.

The acknowledged widespread conflict in the federal courts with respect to the issue presented by the petition demonstrates the fallacy of respondents' contention under Point III of their brief, page 6, *et seq.*, that "the decision below is so clearly justified that review by this Court is not warranted".

One facet of that conflict is the difference of opinion in the lower federal courts concerning the relevancy with respect to the issue presented by the petition of the 1949 decision of this Court in *Ex parte Collett*, 337 U.S. 55, cited by respondents at page 7 of their brief.

More specifically, the *Collett* decision was cited in *support* of the ruling, both of the Court below (Pet. App. B. p. 6a), and the Fifth Circuit Court of Appeals, in *Dalton* v. *Shakespeare Co.*, 196 F. 2d 469 (cited Pet. p. 7). The Seventh Circuit Court of Appeals in the *conflicting* decision in *C-O-Two Fire Equipment Co.* v. *Barnes*, 194 F. 2d 410 (Pet. p. 5) distinguished the *Collett* decision as relating to a "situation . . . quite different" from the issue presented by the present petition.

Additionally, while the *Collett* decision was not specifically mentioned in the conflicting decision of the Tenth Circuit Court of Appeals in *Ruth* v. *Eagle-Picher Co.*, 225 F. 2d 572 (Pet. App. C, p. 9a *et seq.*), the dissenting judge asserted "I can add nothing new . . . to the opinion of the Fifth Circuit in *Dalton* v. *Shakespeare Co.*, 196 F. 2d 469. Until the question is finally settled by the Supreme Court, I . . . respectfully dissent."

The additional conflict in the federal courts concerning the proper application of the decision of this Court in *Ex parte Collett* to the issue raised by the petition, accordingly, affords yet another reason for granting a writ of certiorari in the present case.

C. The Decision of the Court Below Is Also in Conflict With the Decision of This Court in Stonite Products Co. v. Melvin Lloyd Co.[1]

The Court below rendered lip service to the decision of this Court in *Stonite Products Co.* v. *Melvin Lloyd Co.*, then proceeded to violate its basic mandate. In one breath, the Court below professes to follow the holding in the *Stonite* case that the special patent venue statute "is the exclusive provision controlling venue in patent infringement proceedings"; in the next, the Court below emasculates the special venue statute *by insertion therein* of the definition of corporate residence from the general statute. The decision of the Court below is, therefore, squarely in conflict with the ruling of this Court in the *Stonite* case.

Respondents' contention that the Court below "expressly followed the decision" (Res. Br. p. 6) in the *Stonite* case is contrary to the facts.

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[1] 315 U.S. 561.

II. THE QUESTION PRESENTED IS ACCURATELY STATED IN THE PETITION

It is self-evident that the question presented is accurately stated in the petition.

The District Court, finding that defendant was a West Virginia corporation and had not committed acts of infringement in the Southern District of New York, ruled that the special patent venue statute, 28 U.S.C. § 1400(b), was not satisfied, even though the defendant has a regular and established place of business in that district.

The Court below, in *reversing* the decision of the District Court, inserted the definition of corporate residence from the general corporate venue statute, 28 U.S.C. § 1391(c), into the special patent venue statute, 28 U.S.C. § 1400(b), to support its ruling that *mere* doing business by a foreign corporation in the district in which suit is brought satisfies the venue requirement for patent infringement cases against corporate defendants. Hence, the Court below acknowledged that the question of whether defendant committed acts of infringement in the Southern District of New York was immaterial to its decision.

It is self-evident that the Court below, by such acknowledgement, merely sought to make it abundantly clear that its decision that venue is proper is predicated *solely* on the fact that petitioner is doing business in the judicial district in which suit was brought.

This case, accordingly, raises only the legal issue of statutory interpretation stated in the question presented in the petition; namely, does the special patent venue statute, 28 U.S.C. § 1400(b), permit a patent suit against a corporate defendant in a jurisdiction

in which the defendant corporation has not infringed and is not incorporated, but where it is merely doing business?

III. THE STATEMENT OF THE CASE IN THE PETITION IS ACCURATE

Respondents' brief asserts that petitioner's statement is inaccurate in stating that the lower Court entered judgment of dismissal after a full hearing on the merits of the motion to dismiss. The *fact* is that a hearing on the merits of the motion to dismiss was held, as stated in the petition, on July 26, 1956, and that the decision of the District Court was rendered only after such hearing.

Insofar as respondents' opportunity to present evidence in opposition to the motion to dismiss is concerned, *the facts are,* as stated by the District Court in its opinion:

> "There is no indication from the motion papers that the defendant makes or sells, either in this district or elsewhere, . . . devices embodying the alleged patented invention of the plaintiff; in fact, the papers indicate distinctly to the contrary." (R. 4a)
>
> * * * * * * * * *
>
> "Plaintiff has had plenty of time to secure any information which it may wish to secure on this situation. Defendant's motion to dismiss was first filed on March 23, 1955. Subsequent thereto, plaintiff submitted two sets of interrogatories which have been answered, and plaintiff has taken (153) the deposition of the Eastern Sales Manager of the defendant. When the motions came upon the calendar and plaintiff stated that it needed more detailed answers to its interrogatories or wished the right to take the deposition of the defendant

by oral examination, the motion was delayed for such purposes.

"It appears, therefore, that plaintiff has been unable to secure any information which might lead in any way to a conclusion that the defendant has been guilty of infringement or contributory infringement in this district." (R. 5a)

Pages 23a to 63a of the record are properly before the Court. These pages relate to respondents' motion under Rule 60(b) to vacate the order of the District Court dismissing the complaint and remand the case for consideration of alleged newly discovered evidence. *The motion was brought in the Court of Appeals for the Second Circuit* and, therefore, was obviously before the Court below. The Circuit Court denied this motion. *Had the motion been meritorious, it would not have been denied.*[2]

IV. CONCLUSION

Petitioner, in the decision to file, and in the preparation of the subject petition, was guided by the established principles relevant to such proceedings so well expressed by the late Chief Justice Vinson, who stated:

"The function of the Supreme Court is, therefore, to resolve conflicts of opinion on federal questions that have arisen among lower courts, to pass upon questions of wide import under the Constitution, laws, and treaties of the United States, and to exercise supervisory power over the lower federal courts . . . Lawyers might be

[2] As a practical matter, the Court below, in denying respondents' motion to remand on the basis of alleged newly discovered evidence under Rule 60(b), has already expressed its views on the question of whether petitioner committed local acts of infringement in the Southern District of New York.

> well advised, in preparing petitions for certiorari to spend a little less time discussing the merits of their cases and a little more time demonstrating why it is important that the court should hear them . . . What the court is interested in is the actual, practical effect of the disputed decision—its consequences for other litigants and in other situations. A petition for certiorari should explain why it is vital that the question involved be decided finally by the Supreme Court. If it only succeeds in demonstrating that the decision below may be erroneous, it has not fulfilled its purpose.'"[3]

These compelling and succinctly expressed principles have been followed in the petition for certiorari. They have not guided respondents in the brief in opposition. The petition for a writ of certiorari should be granted.

Respectfully submitted,

EDWARD S. IRONS
Counsel for Petitioner

Of Counsel:

CHARLES B. JOHNSON
HAROLD J. BIRCH
WILLIAM W. BECKETT
BURNS, DOANE, BENEDICT & IRONS

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[3] From an address before the American Bar Association on September 7, 1949, reprinted Supreme Court Practice, Stern and Gressman, 107, 199 (2d. Ed. 1954).